

## SENATE BILL No. 250

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 4-4-27-3; IC 26-3-7.

**Synopsis:** Grain buyers and warehouse licensing agency fund. Creates the grain buyers and warehouse licensing agency license fee fund (fund). Provides that fees collected by the grain buyers and warehouse licensing agency are deposited in the fund. Continually appropriates money in the fund.

**Effective:** July 1, 2007.

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**Jackman**

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January 8, 2007, read first time and referred to Committee on Agriculture and Small Business.

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First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

## SENATE BILL No. 250

A BILL FOR AN ACT to amend the Indiana Code concerning agriculture and animals and to make an appropriation.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 4-4-27-3, AS AMENDED BY P.L.1-2006,  
2 SECTION 48, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2007]: Sec. 3. (a) The director of the department of agriculture  
4 or the director's designee shall charge a fee of ten dollars (\$10) for each  
5 moisture testing device inspected from each inspection site under this  
6 chapter.

7 (b) All fees shall be deposited in the ~~state treasury~~ **grain buyers**  
8 **and warehouse licensing agency license fee fund established by**  
9 **IC 26-3-7-6.3.**

10 SECTION 2. IC 26-3-7-6 IS AMENDED TO READ AS FOLLOWS  
11 [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) The agency may issue the  
12 following licenses:

- 13 (1) A grain bank license may be issued to a person that:  
14 (A) stores only grain bank grain;  
15 (B) has a storage capacity of not more than fifty thousand  
16 (50,000) bushels of grain; and  
17 (C) purchases less than fifty thousand (50,000) bushels of



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- 1 grain per year.
- 2 (2) A warehouse license may be issued to a person that:
- 3 (A) stores grain for hire; and
- 4 (B) purchases less than fifty thousand (50,000) bushels of
- 5 grain per year.
- 6 (3) A grain buyer license may be issued to a person that:
- 7 (A) purchases annually at least fifty thousand (50,000) bushels
- 8 of grain that are not for the sole purpose of feeding the
- 9 person's own livestock or poultry;
- 10 (B) does not store grain for hire; and
- 11 (C) offers deferred pricing, delayed payments, or contracts
- 12 linked to the commodity futures or commodity options market
- 13 in connection with grain purchases.
- 14 (4) A buyer-warehouse license may be issued to a person that
- 15 operates both as a warehouse and as a grain buyer.
- 16 (b) An applicant shall file with the director a separate application
- 17 for each license or amendment of a license at the times, on the forms,
- 18 and containing the information that the director prescribes.
- 19 (c) An initial application for a license must be accompanied by a
- 20 license fee as follows:
- 21 (1) For a grain bank or for a warehouse or buyer-warehouse with
- 22 a storage capacity of less than two hundred fifty thousand
- 23 (250,000) bushels, two hundred fifty dollars (\$250) for the first
- 24 facility and fifty dollars (\$50) for each additional facility.
- 25 (2) For a warehouse or a buyer-warehouse with a storage capacity
- 26 of at least two hundred fifty thousand (250,000) bushels but less
- 27 than one million (1,000,000) bushels, five hundred dollars (\$500)
- 28 for the first facility and fifty dollars (\$50) for each additional
- 29 facility.
- 30 (3) For a warehouse or a buyer-warehouse with a storage capacity
- 31 of at least one million (1,000,000) bushels but less than ten
- 32 million (10,000,000) bushels, seven hundred fifty dollars (\$750)
- 33 for the first facility and fifty dollars (\$50) for each additional
- 34 facility.
- 35 (4) For a warehouse or buyer-warehouse with a storage capacity
- 36 greater than ten million (10,000,000) bushels, one thousand
- 37 dollars (\$1,000) for the first facility and fifty dollars (\$50) for
- 38 each additional facility.
- 39 (5) For a grain buyer, including a grain buyer that is also licensed
- 40 as a warehouse under the warehouse act, five hundred dollars
- 41 (\$500) for the first facility and fifty dollars (\$50) for each
- 42 additional facility.

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The director may prorate the initial application fee for a license that is issued at least thirty (30) days after the anniversary date of the licensee's business.

(d) Before the anniversary date of the license, the licensee shall pay an annual fee in an amount equal to the amount required under subsection (c).

(e) A licensee or an applicant for an initial license must have a minimum current asset to current liability ratio of one to one (1:1) or better.

(f) An applicant for an initial license shall submit with the person's application a review level financial statement or better financial statement that reflects the applicant's financial situation on a date not more than fifteen (15) months before the date on which the application is submitted. Not more than ninety (90) days after the end of a licensee's fiscal year, the licensee shall file with the agency a current review level financial statement or better financial statement that reflects the licensee's financial situation for the fiscal year just ended. A financial statement submitted under this section must:

- (1) be prepared by an independent accountant certified under IC 25-2.1;
- (2) comply with generally accepted accounting principles; and
- (3) contain:
  - (A) an income statement;
  - (B) a balance sheet;
  - (C) a statement of cash flow;
  - (D) a statement of retained earnings;
  - (E) the preparer's notes; and
  - (F) other information the agency may require.

The director may adopt rules under IC 4-22-2 to allow the agency to accept other substantial supporting documents instead of those listed to determine the financial solvency of the applicant if the director determines that providing the listed documents creates a financial or other hardship on the applicant or licensee.

(g) An application for a license implies a consent to be inspected.

(h) A person that:

- (1) does not operate a facility used to store grain for hire;
- (2) purchases:
  - (A) less than fifty thousand (50,000) bushels of grain per year;
  - or
  - (B) only grain used for the production of the person's own livestock or poultry; and
- (3) does not purchase grain by:

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1 (A) offering deferred pricing;  
 2 (B) offering delayed payment; or  
 3 (C) offering other contracts;  
 4 that are linked to the commodity futures or commodity options  
 5 market;  
 6 is not required to be licensed.

7 (i) Fees collected under this section shall be deposited in the  
 8 grain buyers and warehouse licensing agency license fee fund  
 9 established by section 6.3 of this chapter.

10 SECTION 3. IC 26-3-7-6.3 IS ADDED TO THE INDIANA CODE  
 11 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 12 1, 2007]: Sec. 6.3. (a) The grain buyers and warehouse licensing  
 13 agency license fee fund is established to provide funds for the  
 14 administration of this chapter. The fund shall be administered by  
 15 the agency. The fund consists of:

- 16 (1) the moisture testing device inspection fees collected under  
 17 IC 4-4-27-3;  
 18 (2) the licensing fees collected under section 6 of this chapter;  
 19 (3) gifts and bequests; and  
 20 (4) appropriations made by the general assembly.

21 (b) Expenses of administering the fund shall be paid from  
 22 money in the fund.

23 (c) The treasurer of state shall invest the money in the fund not  
 24 currently needed to meet the obligations of the fund in the same  
 25 manner as other public money may be invested. Interest that  
 26 accrues from these investments shall be deposited in the fund.

27 (d) Money in the fund at the end of a state fiscal year does not  
 28 revert to the state general fund.

29 (e) Money in the fund is continually appropriated to the agency  
 30 for the administration of this chapter.

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